

PROGRAM OPPORTUNITY NOTICE
COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF ENERGY RESOURCES

Compressed Natural Gas (CNG)
COMMUTER VAN INITIATIVE

Date Issued: December 22, 2008

Application Deadline: 4PM, February 20, 2009

Commonwealth of Massachusetts Department of Energy Resources CNG COMMUTER VAN INITIATIVE

Background

The Massachusetts Department of Energy Resources (DOER) and the Massachusetts Clean Cities Coalition has long been at the forefront of efforts to diversify the types of motor fuels used in the Commonwealth and to reduce greenhouse gas emissions from the transportation sector. DOER led the largest electric vehicle demonstration in the country, has received numerous grants from the US Department of Energy to demonstrate CNG vehicles, is exploring the opportunities for growing cellulose feed stocks in the northeast, and was instrumental in the siting of a large E-85 station at Boston's Logan International Airport. In keeping with our efforts to lessen the dependence on petroleum-based products as a motor fuel and reduce greenhouse gas emissions, DOER is introducing this opportunity for private sector businesses to participate in the next phase of "green transportation" -- hybrid vehicles that utilize plug-in technology.

Commuter van programs are currently available through the Commonwealth of Massachusetts MASSRIDES Program, local Transportation Management Association(s), and private organizations. Typically the vans are 15-passenger gasoline powered vehicles. DOER is proposing to fund a number of CNG-powered vans, and may also fund fueling facilities at either the place of employment or the driver's home.

The use of these vehicles will assist in determining operating cost, convenience and performance. Information gathered will be of value to policy makers when evaluating the impact these vehicles have on the Commonwealth's overall environment.

Program Outline

DOER will fund up to half the cost of new dedicated CNG 15-passenger commuter vans, not to exceed \$30,000 per vehicle. The CNG vehicle must meet US EPA and CA Air Resources Board (CARB) certifications. Funding may also be available to procure and install fueling appliances for the driver's home or workplace. Vehicles must be registered and garaged in Massachusetts. A total of \$335,000 is available for this program. Selected organizations will be responsible for procuring the vehicles within a time limit set by DOER, registering the vehicles in the Commonwealth of Massachusetts, providing insurance, inspections, and supplying performance data as described in the application document. A maximum of five vehicles may be assigned to one organization, unless there is a lack of qualified applicants. DOER reserves the right to further limit per applicant vehicles to ensure geographic diversity. Program length is three years from vehicle delivery date. No vehicle ordered prior to the notification of awards under this PON shall be eligible for funding.

All vehicle procurement transactions shall be between the vehicle supplier and program participant.

The maximum per vehicle DOER subsidy shall be \$30,000; in addition, a maximum of \$5,000 may be available for each installed “slow fill” fueling device. Applicants must justify the request for fueling equipment funds. In the event the program is undersubscribed for fueling equipment, funds earmarked for such equipment may be allocated for additional vehicles. The allocation of extra funds for the slow fill fueling equipment shall be at the discretion of DOER

Commuter Van Program

It is the expectation of this program that the vehicles funded will be used in a formalized commuter transportation program that will be administered by the Grantee or its agent. The vehicles will be utilized in such a manner that van ridership will be maintained at a minimum load factor of 50%. It is further expected that this formalized program will track riders and drivers and provide a waiting list for back-up riders and drivers.

Number of Vehicles

Applicants may request one to five vehicles. If there is a lack of qualified applicants, DOER may, in its discretion, award additional funds to qualified applicants expressing interest in procuring additional vehicles. DOER reserves the right to make such awards based on its program ranking criteria.

Fuel Utilization

It is the intent of the program to promote and expand the use of compressed natural gas as a motor fuel. This program will predominately use existing CNG stations located in the Commonwealth, but may require some “slow fill” fueling device installations where CNG infrastructure does not exist. When selecting commuter van routes, consideration should be given to the existing CNG infrastructure and such infrastructure should be used whenever possible. Slow fill fueling equipment should be used where CNG stations are not accessible.

Funding

DOER will provide funding for up to 50% of the total vehicle acquisition costs; the balance will be provided by the Grantee. Acquisition costs include sales tax, registration, delivery fees, a 36-month warranty for the vehicle, and an extended 36-month warranty for the CNG fuel system (if available). These vehicles are intended for use as commuter vans, but may be used incidentally for personnel use of the employee driver. The Grantee will be required to execute a Standard State Contract with the Commonwealth of Massachusetts to receive funding. The contract will establish terms and conditions and detail how and when payment will be made. Payments will be made directly to Grantee.

Vehicle Acquisition and Disposal

The Grantee will acquire the vans through its normal fleet vehicle acquisition process. These vehicles may be purchased or leased as per the Grantee's standard practice. At the termination of the program the Grantee may dispose of the vehicle using normally accepted practices. The Commonwealth will hold no financial or ownership interest in the vehicles. In addition, it is the responsibility of the Grantee to ensure that warranties are in place to cover the vehicle and CNG system for the duration of this program.

Vehicle Management

The Grantee will be responsible to manage these vehicles in a formal fleet program and ensure the vehicles are fully utilized, maintained, assigned to qualified drivers, registered in the Commonwealth, and provided with full insurance. The Commonwealth will not provide any support for the maintenance or repair of the vehicles in this program.

Vehicle Repairs and Maintenance

Vehicle repairs and maintenance are the responsibility of the Grantee. The Grantee will make every reasonable effort to ensure that repair facilities are available to minimize any inconvenience to the driver and down-time of the vehicle. The ordering dealer must warranty the entire vehicle including an extended 36-month warranty for the CNG fuel system (if available).

Program Administration

The Grantee will manage the demonstration program and will ensure that vehicles are utilized, maintained, and stored in a secure location when not assigned to a driver. In addition, the Grantee will maintain insurance coverage, maintain files tracking vehicle inventory, vehicle maintenance, and registration.

Driver Selection

Vanpool routes should be selected based on a reasonable expectation that they will have a minimum annual usage of 7,000 miles or more. Drivers should be qualified as having a valid Massachusetts driver license and acceptable driving records in accordance with Grantee standard company policy. The annual mileage minimum may be a combination of personal and business use. Consideration should be given to the driver's ability to provide a secure location to store the vehicle when not in use.

Program Reporting

The Grantee will provide quarterly reports for the program period to DOER electronically in a format agreed to by both the Grantee and DOER.

How to Apply

Application packages are available through the Massachusetts Department of Energy Resources. The package includes ranking criteria. The Application deadline is February 20, 2009. DOER reserves the right to limit the number of awardees in each geographical part of the state. Any questions related to this PON must be submitted in writing via Email to david.rand@state.ma.us. Answers will be posted on DOER's website at www.mass.gov/doer. The Application package is also posted on DOER's website at www.mass.gov/doer. Completed applications must be submitted in writing. To obtain additional information contact:

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